

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
HEALTH AND RECOVERY SERVICES ADMINISTRATION
Olympia, Washington**

To: Rural Health Clinics
Managed Care Organizations

**Memorandum No: 06-30
Issued: June 12, 2006**

From: Douglas Porter, Assistant Secretary
Health and Recovery Services
Administration (HRSA)

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**Subject: New Policies for Rural Health Clinics (RHC) Delivery Enhancement
Payments for Managed Care Clients**

Effective for dates of service on and after July 1, 2006, the Health and Recovery Services Administration (HRSA) is revising its reimbursement guidelines for Rural Health Clinic (RHC) delivery enhancement payments for managed care clients.

Payment Name Change

Previously, HRSA has paid RHCs a supplemental payment for maternity deliveries for those managed care clients assigned to the RHC. This supplemental payment has historically been known as the "FQHC*/RHC delivery case rate (DCR) enhancement." Since this name is similar to the name of another type of managed care payment, HRSA will now refer to this supplemental payment as the "RHC delivery enhancement payment."

Revised Payment Policies

Effective July 1, 2006:

- HRSA will pay a clinic an RHC delivery enhancement payment and, if applicable, the S-kicker enhancement, for a managed care client only when one of the two following situations listed below is met.
 - Managed care organizations currently billing HRSA on behalf of the RHC for the RHC delivery enhancement payment and, if applicable, the S-kicker enhancement, **must not** bill HRSA for clients assigned to the RHC unless one of the two situations described below is met.
1. The RHC provider **actually performs the delivery and the RHC** (or any provider under the same tax ID as the RHC) **is the client's assigned Primary Care Provider (PCP)**. HRSA will no longer pay the RHC for a managed care client assigned to the RHC when a provider who is not affiliated with the client's assigned clinic performs the delivery.

-OR-

* Federally Qualified Health Center

2. The **RHC** (or any provider under the same tax ID as the RHC) **is the client's assigned Primary Care Provider (PCP) and the RHC is fully financially liable.**

In order to be considered fully financially liable, the RHC must pay the provider who performs the delivery 100% of the cost of the delivery from its own funds.

Participation in "risk pools" **does not** constitute being fully financially liable. HRSA's RHC Program Manager will review the RHC's contract with the managed care organization in order to determine whether the RHC is fully financially liable. HRSA will not pay a delivery or S-kicker enhancement without this determination and prior approval from the RHC Program Manager.

NOTE: The S-kicker enhancement is an additional payment made for women with a BHP+ indicator in the HMO column of the medical ID card.

Billing Reminder

The RHC is individually liable for any payments made to the RHC and must ensure that it receives payment for only those situations described in the Revised Payment Policies section on previous page.

Complete, legible documentation must be available upon request to HRSA clearly documenting any services for which the RHC has received payment.

Does the individual provider assigned as the PCP have to perform the delivery in order to be eligible for the RHC delivery enhancement payment or the S-kicker enhancement?

No. If an individual provider is listed by name as the PCP (rather than the clinic itself) and another provider within the RHC (working under the same tax ID) performs the delivery, the RHC is eligible for these payments. HRSA considers any provider billing under the RHC's tax ID to be the same as the assigned PCP.

Can I bill for the RHC delivery enhancement payment and, if applicable, the S-kicker enhancement if I assist at the delivery?

No. Only the provider who actually performs the delivery is eligible for these payments and only if he or she meets one of the two criteria on the first page.

How do I bill for an RHC delivery enhancement?

Bill HRSA for the RHC delivery enhancement payment using either the **delivery-only CPT® code 59409 or 59514 with modifier UC**. Modifier UC is a payer-defined modifier. HRSA defines modifier UC as “FQHC/RHC Service.” Use the ICD-9 diagnosis code V68.9 (unspecified administrative purposes).

How do I bill for the S-kicker enhancement?

Submit a separate claim using CPT code 59899 with modifier UC. Indicate the following information:

- For field 33, enter the appropriate FQHC/RHC provider ID number (PIN#), beginning with 759, and the plan provider number in (GRP#), beginning with 750; and
- For field 26, enter the Patient’s Account No.

Note: If the woman’s PCP is with the RHC, but the woman receives her prenatal services from a provider who is not part of the RHC, do not bill for the S-kicker enhancement payment.

How do I conduct business electronically with HRSA?

You may conduct business electronically with HRSA by accessing the WAMedWeb at <http://wamedweb.acs-inc.com>.

How can I get HRSA’s provider documents?

To obtain HRSA's provider numbered memoranda and billing instructions, go to HRSA’s website at <http://maa.dshs.wa.gov> (click on the **Billing Instructions/Numbered Memoranda** or **Provider Publications/Fee Schedules** link).

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